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OPERATIONAL ACTIVITIES FOR DEVELOPMENT

Letter dated 15 May 1996 from the Permanent Representative of Japan to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the summary of the Tokyo Conference on Development Strategy, which was held in Tokyo on 21 and 22 March 1996 under the sponsorship of the Government of Japan. This summary was drafted solely in my personal capacity as Chairman of the Conference.

I should be grateful if you would have the present letter and its annexes** circulated as a document of the General Assembly, under item 99 of the preliminary list.

(Signed) Hisashi OWADA
Permanent Representative of Japan
to the United Nations

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* A/51/50.

** Annexes II and III are being circulated in the languages of submission only.

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ANNEX I

Summary of proceedings of the Tokyo Conference on Development Strategy, 21 and 22 March 1996

(Organized by the Ministry of Foreign Affairs of Japan)

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INTRODUCTION

The Tokyo Conference on Development Strategy was chaired by Hisashi Owada, Permanent Representative of Japan to the United Nations, and was attended by 25 Permanent Representatives to the United Nations, 3 Deputy Permanent Representatives to the United Nations, 28 persons from the capitals of participating countries, 7 officials of international organizations and 2 persons who served as lead discussants. (For the list of participants, see annex III.) All participated in a personal capacity. There were also many observers.

The Conference was convened for the purpose of promoting discussion on the subject of development strategy, and to contribute to the deliberations of the United Nations on an Agenda for Development and those of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD) on development strategy. The Conference was not intended to achieve a consensus or formal conclusion, but to offer a forum for brain-storming.

SUMMARY

In summary, the suggestions of participants regarding the essential characteristics of a new development strategy were as follows:

1. In view of globalization, the development strategy should be based on "a new partnership" between developed and developing countries.

2. The development strategy should have a clear, simply stated, realistic and challenging set of targets that constitute a common vision of the future. The targets would enhance public attention on development, help define priorities and encourage enhanced accountability.

3. Development should be promoted through a comprehensive approach supported by the resources and political will of both donor and recipient countries. Such an approach should utilize not only ODA but also private investment, and take into account external debt issues and the need for budget restructuring where appropriate. At the same time, development should be promoted through individual or country-specific approaches that have a country focus and speak to specific local needs and situations.

4. The development strategy should address the need for institutional reform, for enhancing coordination within the United Nations and its agencies, and for optimizing staff quality and efficiency. It should also be rooted in enhanced coordination between United Nations and Bretton Woods institutions. It should aim at putting in place concrete methods for reinvesting a part of the savings made available by rationalizing United Nations institutions for development activities such as poverty reduction.

5. The development strategy should be founded on a concept of people-centred development.

6. The development strategy should encourage and be based on sound economic policies and good governance.

7. The development strategy should convey its achievements to the public, and contribute to better understanding that the progress of developing countries is a fundamental component of global security and prosperity for all.

I. PLENARY SESSION OF THURSDAY, 21 MARCH 1996

The session commenced with keynote speeches by Kazuo Ogura, Deputy Minister for Foreign Affairs of Japan, James H. Michel, Chair of the Development Assistance Committee of the Organisation for Economic Cooperation and Development, and K. Y. Amoako, Executive Secretary of the Economic Commission for Africa (see annex II).

Mr. Ogura outlined the main themes for discussion, suggesting that it focus on the establishment of development targets, a reassessment of the role of international organizations in development, and the formulation of methods for promoting development. He emphasized the need for establishing "a new global

partnership", which would enable developed and developing countries to work together to meet the challenges of development. He proposed to establish concrete development targets in order to give a clear vision of the world in the early twenty-first century. He also proposed that a part of savings achieved through rationalization of United Nations development institutions be reinvested in development activities, for example, those aimed at the eradication of poverty.

Mr. Michel placed development in the context of the simultaneous convergence of national economic policies and the growing diversity among nations. He referred to the need of local ownership and of local responsibility for development, the importance of participatory development, and the need of policies that favoured development. He urged the Conference participants to try to advance as far as possible on the questions what development goals are most appropriate, how they should be set, and the ways and means to achieve them.

Mr. Amoako spoke about the development challenges facing Africa, emphasizing the importance of adopting a direct poverty-reducing strategy and at the same time pursuing policies for robust growth. He referred to the need for a policy environment and political climate conducive to sustained structural transformation, the need to make more progress in ending local conflicts, and the need to gain the understanding and support of partners around the world.

In the discussion among participants, many suggestions were made concerning a new development strategy.

1. A new global partnership was a repeated theme, as was the need to work together for development. Partnership was also referred to in connection with the idea that integrating developing countries into the global economy would create greater dynamism and result in mutual gains, or a "win-win" situation for all participants.

2. There were repeated calls for moving development beyond initiatives and discussion towards concrete implementation. In this connection, many participants recognized that the international community needed a common vision of the future, and that objectives should be formulated. One participant cited the imperative to breed "a new culture of results-oriented cooperation".

3. It was noted that development as a concept was increasingly moving beyond the economic sphere and becoming inextricably linked to peace and security. Many participants addressed the commonality of contemporary concerns in developed and developing countries, including social and environmental problems. The view was expressed that the progress of developing countries was a fundamental component of global security and prosperity, and would affect everyone.

4. Many participants felt it was necessary to define priorities in the face of the ever greater complexity of development, and the need to make targets meaningful and understandable to the public. There must be a tangible, visible commitment to results on the part of both donors and recipients; such efforts were essential to rectifying the crisis in credibility and confidence that currently challenged multilateral development efforts.

5. One participant noted that, while the end of the cold war had provided the international community with an opportunity to direct more of its attention to the problems of development, it had also removed the framework within which cooperation had been provided, thereby rendering the implementation of such assistance a matter of far greater complexity. Adding to that complexity was the fact that development cooperation was no longer provided only by one State to another; civil society, and the private sector in particular, was playing a more active role. And also development assistance was now being provided in the midst of conflicts, as in Bosnia, further complicating matters.

6. It was suggested, in the context of the increasing importance of private resource flows, that the role of ODA should be redefined. Participants warned of "donor fatigue", and emphasized that ODA remained vital to the promotion of development.

7. Participants asked how the political will for development cooperation could be mobilized, given the economic malaise afflicting industrial economies, and whether the concept of cooperation was "under siege". It was suggested that a way be sought to turn the constraints on financial resources into a positive force by improving the focus of activities, enhancing cooperation, working on matters of greater relevance, and arriving at a division of labour based on who does which task best.

8. The subject of United Nations reform generated two main responses. On the one hand, the view was expressed that reform should not be a euphemism for budget-cutting. On the other, participants voiced the hope that the funds saved by rationalizing and streamlining the United Nations could be reinvested in development.

9. Developing countries must be the owners of their development efforts. The idea was put forward that coordination of development activities might be improved by having recipient countries formulate their own development strategies. It was also urged that development strategy move beyond the traditional donor-recipient model. Both donors and recipients supported the idea of moving towards more "participatory development".

10. Several participants said it was necessary to address the external debt issue that so heavily burdened many developing countries.

II. SUBGROUP SESSIONS

A. Subgroup I: Setting development targets (shared vision of the future)

Subgroup I was chaired by Mr. Atsushi Hatakenaka, Director-General of the Economic Cooperation Bureau of the Japanese Ministry of Foreign Affairs.

Mr. Pierre Defraigne gave a keynote address in which he discussed both the value and difficulty of establishing development targets. In the ensuing discussion, participants offered their thoughts on the necessity of development

targets. Subsequently, the attention of the subgroup was directed to principles that might be of use in considering desirable features of targets.

At the earlier stage of the discussion, the following points emerged:

1. Development requires partnership between developed and developing countries.

2. The international community needs to share a common vision of the future, and targets would serve as a basis for the concerted efforts.

3. Targets would contribute to encouraging the people of developing countries to continue their development efforts and the people of developed countries to support them.

Some noted that different situations in the respective developing countries should be taken into consideration when targets are set. Others also emphasized that developing countries themselves must be the owners of the targets, and that they should be closely involved in formulating targets.

The following points were also made concerning setting targets:

1. Targets should be presented in a simple and easily understandable way, so as to receive public support in both developing and developed countries.

2. The agreed targets should be based on a shared willingness and commitment of the international community, including developing and developed countries.

3. It is important to have not only targets, but also strategies to achieve them at both global and country levels, particularly in the area of resource mobilization.

The following points were also mentioned in the discussion:

1. Targets should be measurable, and progress in pursuit of them should be monitored.

2. Targets should be output-oriented, rather than input-oriented.

With regard to the desirable features of targets, the following points were echoed in the discussion:

1. Targets should be realistic but at the same time challenging. Once targets are set by international agreement, there should be no going back on them, including for the least developed countries.

2. If new indicators are selected, they should command general support (that is, they should not be weaker than those already accepted).

3. Indicators should be broadly representative of both economic and social progress.

4. It should be accepted that both quality and quantity need to be and can be assessed. Donors should be prepared to help finance qualitative assessments, where necessary.

5. Selected quantitative indicators must be easy to obtain, and preferably be already published.

6. Where indicators are of an aggregate character, there should also be a discussion of indicators of progress at the country level. Donors, if they accept such indicators, must be prepared to provide development assistance for recipients who are undertaking sound policies for achieving the targets.

7. Targets need to be ambitious and should give a vision to the public.

8. Efforts of both developed and developing countries should be mobilized to achieve development targets.

9. Targets should be set by a collective decision, which will be adhered to.

Mention was also made of the importance of providing aid flows to developing countries making special efforts to reinforce democracy and sound economic policies.

Some emphasized the increasing importance of private capital flows. Yet others cautioned that many least developed countries, notably in Africa, are currently not receiving such resources.

B. Subgroup II: The role of the United Nations in sustainable development

Subgroup II was chaired by Mr. Kazuo Asakai, Director-General of the Multilateral Cooperation Department of the Japanese Ministry of Foreign Affairs.

There was general recognition that the United Nations had an important role to play in the field of development, one that needs to be strengthened, made more effective, and given the widest possible support.

Mr. Richard Jolly launched the discussion with a presentation in which he pointed out that much of the current, widespread criticism of United Nations achievements in the development sphere was misplaced, or based on misperceptions, although it was also true that improvements were needed. He pointed out that the subjects of the three subgroups were interrelated and that there was a need for clear goals as the basis for accountability and as a focus for coordination among agencies. He also pointed out that such goals could contribute to national efforts for development.

In the discussion that followed, there was a round of general observations on United Nations efforts in the area of development, and several suggestions emerged on ways to improve them. Subsequent to this general discussion, a number of more specific matters, such as reform of the Economic and Social Council and the issue of decentralization, were addressed, as were the question

of the structure of the United Nations Secretariat and the issue of the quality of United Nations staff.

The main concerns and suggestions that emerged from the session were as follows:

1. In the first round on general issues, a number of participants cited real domestic political pressure or questions/doubts with respect to United Nations contributions. Some noted that bilateral ODA is often politically more visible.

2. Participants agreed that the question how to enhance the role of the United Nations needed to be addressed as a matter of urgency, although part of the problem was its image. A general consensus existed that it was necessary to move decisively on United Nations reform.

3. Participants voiced general support for the idea of reinvesting funds that are derived from the reform/rationalization process into the development activities. Details as to methods of implementing this idea needed to be further explored.

4. The need to improve coordination and cooperation between the Bretton Woods system and the United Nations was mentioned several times. It was pointed out that the United Nations must play an important role in development. While there was a suggestion that the United Nations should concentrate on human issues, it was also suggested that the World Bank should give more support to the social/human issues such as education.

5. One issue that arose in the discussion was emergency relief aid and the need to make it meaningful for post-conflict reconstruction.

With regard to specific steps to tackle problems with United Nations development activities, discussion focused on the reform of the Economic and Social Council and decentralization.

1. On the question of strengthening the Economic and Social Council, various proposals were offered. For example, its role in maintaining coordination might be enhanced by expanding the bureau to 15 to 20 members and merging the three secretariat departments that deal with economic and social development into one. An expanded bureau could meet more often, and be brought into the process of addressing emergency development needs that result from disasters of conflicts, for example. Another suggestion was that the Economic and Social Council would be more effective if it interacted more with specialized agencies. The relationship between the Economic and Social Council and the General Assembly should also be examined with a view to reducing duplication of agendas. By making the Economic and Social Council more effective and operational, progress could be made as well on the matter of increasing coordination with Bretton Woods institutions by engaging in real dialogue. None of the participants favoured maintaining the status quo.

2. The next topic was decentralization, the other side of the coin of central coordination of policy. Several participants urged that decentralization should be promoted. Some participants advocated a greater focus on a regional approach

already being followed in some areas, such as Africa and the Commonwealth of Independent States nations. It was also pointed out, however, that regional strategies would need to be reformed and that maintaining central direction was indispensable to the decentralization process.

Finally, many participants expressed the view that any discussion of reform and efficacy must include the question of staff quality, which was particularly important to strengthening the United Nations and making it more efficient. The hope was expressed that international civil servants might continue to meet the very highest standards. Establishing an evaluation and review procedure, it was suggested, could enhance the credibility of United Nations efficacy in the eyes of the public. There was a recognition of the problem and the need to address it.

The dominant theme of the session was the urgency of reform and strengthening of the United Nations, and its development activities in particular. It was hoped that participants would reflect and follow up on the thought provoking discussion that has emerged in the subgroup discussion.

C. Subgroup III: Methods for promoting development

Subgroup III was chaired by Mr. Mahbub ul Haq, President of the Human Development Centre, Istanbul.

Subgroup III discussed a development vision for the future, methods for promoting development, and the roles of different development agents, including developing and developed countries, civil society - namely, the private sector and NGOs - and international institutions.

There was an extremely spirited and productive debate, led by Professor Nishikawa and Dr. Akyuz of UNCTAD.

The following important points were raised:

1. It was necessary to search for appropriate development goals and targets for the period up to the year 2010. Neither national nor global markets could function efficiently or equitably without guidance and an overall vision. It was noted that development goals were all the more important in a liberalized economy. And the experience of East Asia was cited as evidence of the importance of a healthy relationship between business and Government, in which development goals, once formulated, were implemented largely by the private sector with the encouragement of Government.

2. It was noted that while development targets were useful, they must suit a country's particular needs, be defined by the country itself, and be supported by adequate financial resources. Past experience had demonstrated that fixing global or national targets without providing adequate resources and political support for their implementation was an exercise in futility and an invitation to widespread cynicism.

3. It was suggested that there be a search for new people-centred models of development which enhance human dignity and human life, not marginalize it; which treat GNP growth as a means, not an end; which distribute income more equitably, not concentrate it; which replenish natural resources for future generations, not destroy or compromise future opportunities; and which encourage the grass-roots participation of people in the events and processes that shape their lives. It was suggested that all poverty reduction strategies must include at least three elements: social mobilization, decentralization, and human resources development. It was agreed that each country should tailor models of development to fit its own requirements.

4. National ownership of development strategies was stressed. It was felt that, increasingly, it was local government and civil society in the form of NGOs and private enterprise that should play the dominant role in the development process.

5. There was some discussion of overall development goals. While no clear consensus was achieved in this area, there seemed to be substantial support for the goal of halving poverty levels by the year 2010 and providing the basic social services of primary education, primary health care, safe drinking water, adequate nutrition, and family planning services on a universal basis during this period. It was felt that each country would have to determine the precise time paths each country must follow for itself, but that a shared development vision might have to include such goals.

6. There was not an extensive discussion of concrete goals for developing countries. However, the Chairman suggested several for future discussion, including:

- Achieving a minimum per capita growth rate of 3 per cent a year to double existing incomes within a generation;

- Reducing population growth rates by one full percentage point in the next decade and a half;

- Committing 20 per cent of national budgets to the provision of basic social services;

- Spending at least twice as much on education and health as on the military.

It was felt that concrete development targets could only be set on a country-specific basis.

7. No comprehensive framework emerged on what role the developed countries must play, although a large number of suggestions were offered. These included:

- Reallocation of existing aid to promote the 20/20 compact;

- Allocation of twice as much aid per capita to low military spenders, precisely the reverse of the present allocation pattern;

- A specific time path to be defined by each donor towards the achievement of the 0.7 per cent ODA target over the next 14 years;

- A new sense of urgency about settling the external debts of the poorest countries, so that there would be no negative resource transfer for countries with a per capita income of less that $1,000;

- Expanding the principal beneficiaries of foreign private investment from the existing 10 countries to perhaps 30 or 40 in the next 14 years, by working closely with them to improve their investment environments;

- Reducing trade protectionism much further in OECD countries;

- Banning arms exports to potential trouble spots;

- Eliminating existing subsidies to arms exporters;

- Establishing some transparent curbs on the flow into foreign banks of money obtained through corruption.

8. It was recognized that, paradoxically, the role of multilateral institutions was diminishing exactly at a time when economic globalization was increasing. The view was expressed that multilateralism should be strengthened and a much closer partnership established between the United Nations and Bretton Woods institutions.

9. There was considerable discussion on the Japanese proposal to make the Economic and Social Council a more effective forum by establishing an expanded bureau composed of about 15 countries and delegating to it greater powers of deliberation and decision-making. There was no clear consensus on the proposal, and reservations were expressed about its restrictive nature. The Chairman of the Conference, Ambassador Owada, noted that such a small bureau would be able to represent all important constituencies by rotation, and that in any case its conclusions would be placed before the committee of the whole. There was a general feeling that the role of the United Nations in economic and social deliberations had to be strengthened, but precisely how to do so remained unclear.

10. There was repeated emphasis on the need for regional cooperation, more South-South exchange, and a strengthened role for regional economic commissions and regional development banks. This was particularly important for smaller economies. It was noted that in the past, regional cooperation had been distinguished by great eloquence rather than by great action.

11. There were several suggestions that human rights must also be included in any set of goals that were designed.

12. There was a lively debate on a comprehensive and an individual approach to development. Some participants expressed the fear that "a differentiated approach" might lead to a graduated process that would leave some countries far behind. The view was expressed that an individual approach referred to country-

specific solutions, not second-best options. It was widely recognized that development policies in specific countries or regions should take into account specific needs and conditions, including population, the availability of natural resources, their situation with regard to world trade, and involvement in a process of economic transition.

III. PLENARY SESSION OF FRIDAY, 22 MARCH 1996

Following presentations by the three subgroup chairpersons, the Chairman suggested that the plenary discussion be given over to constructive brain-storming. He requested that participants seek to synthesize common elements, in the interest of bringing about as great a convergence of views as possible, and to avoid repeating the discussions that had taken place in the subgroups.

Conference participants repeatedly voiced the hope that the Conference would give impetus to the effort to shape a new vision of development and find innovative approaches to implement it. Several participants expressed the view that Japan had taken a much needed initiative in invigorating the development debate, and they hoped that it would continue to fulfil this leadership role. There was strong interest among participants in seeing a document emerge from the Conference that captured its energy and ideas, so that its general themes might be given concrete shape through future discussions.

It was felt that such a revitalization of the concept of development was crucial now that many donor countries were engaging in economic belt-tightening and needed to convince taxpayers and legislators that multilateral organizations in general, and development in particular, continued to warrant support.

In the course of a wide-ranging discussion, the following themes repeatedly surfaced and found resonance among many participants:

1. Reform of the United Nations and restoration of the credibility of development efforts in the eyes of the public were imperative. One participant urged that no aid agency be permitted to escape the requirement that it demonstrate its effectiveness, adding that reform was not optional. In light of the budgetary constraints on many industrialized economies, another delegate observed that even discussing development strategy was courageous. A third participant was concerned that the cost-cutting mood was making multilateral organizations and the United Nations system more fragile, and that budget cutting always attacked what was fragile.

The view was also expressed that both bilateral and multilateral aid organizations must confront the issues of reform and effectiveness.

2. Participants discussed ways in which the case for development could be made compelling and meaningful for the public, focusing in particular on the role that targets might play. It was suggested in this context that targets be reasonable, realistic, simply stated, and measurable. One participant suggested that the set of goals should be limited in number. This idea was in keeping with the emphasis on defining clear development priorities that would function

as "powerful symbols". In the face of diminishing development resources, the setting and strengthening of priorities was crucial, it was noted.

3. Participants agreed that establishing specific targets must be achieved in partnership between donor and recipient countries, and terms such as "compact" and "contract" arose repeatedly. This discussion was introduced by a delegate who asked whether the setting of targets stood in conflict with the goal of national ownership of development programmes, and whether specific target guidelines suggested dictating a pace for recipient countries.

This query elicited support for maintaining sensitivity to the needs of countries in target setting. Others also emphasized that the targets should be understood as political "offer" of support to the developing countries in implementing country-specific development strategy in the framework of national ownership. It was noted that political will on the part of both donors and recipients was needed to realize targets.

A number of participants spoke about the possibility that some form of expert group might be the best place to pursue this task. Options for such a forum included a group of 15 to 20 experts, a smaller core group of 4 to 5 members, or a task force at the United Nations University in Tokyo.

4. In the context of discussions on a development partnership (expressed by a compact or contract between donor and recipient countries), more active participation and greater responsibility on the part of developing countries was a theme that arose several times.

Some participants emphasized participatory development, in which democracy, sound economic policies, and good governance would be rewarded. Several colleagues suggested that not just quantitative but also qualitative indicators should be taken into account when evaluating progress. It was also suggested that essential to the attainment of measurable goals were qualitative factors in the evolution of more stable, safe, participatory and just societies.

5. Most participants felt that such a comprehensive approach was needed to provide the means necessary to achieve targets. While ODA continued to play a vital role, other components such as trade, private investment, and reduction of unproductive investment were also essential.

It was suggested that broad-based "effective and sustainable systems of finance" be innovative and take into account the need for resource replenishment. One participant urged that new financing schemes be developed, with a mixture of funds from both recipient and donor nations.

6. It was pointed out that budget allocation issues in recipient countries were the other side of the coin of pursuing a comprehensive approach to funding, and that matters such as external debt must be addressed. Several participants also raised the problem of high military spending.

In response to queries about the cost of achieving targets, one participant pointed out that, based on the calculations of five United Nations aid agencies, it had been estimated that the goal of poverty eradication (with universal

components of primary education, maternal and reproductive health care, nutrition, water sanitation, and family planning) would cost roughly an additional $30-40 billion per year for a period of 10 years. Currently, the cost of debt servicing was some $150 billion per year, and third world military expenditures totalled approximately $130 billion each year. The participant expressed the view that restructuring would be sufficient to mobilize the necessary resources.

He also noted that economic growth had not always been a prerequisite to basic social expenditures; in some instances - for example, Japan, Malaysia and the Republic of Korea - the reverse had been the case.

7. A number of participants pointed out that the term "differentiated approach" could lead to misunderstanding. For example, one delegate wondered whether such an approach would give sufficient attention to concerns shared by developing countries, such as possible protectionism in OECD countries, at a time when many developing countries were undergoing economic liberalization and asking for "trade, not aid".

8. Participants showed general interest in the idea of reinvesting a part of the savings made available by rationalizing United Nations institutions in activities that benefit developing countries, such as poverty reduction.

9. Synergy and cooperation between regional institutions and multilateral organizations can also help to solve development problems. Several participants called attention to the role of the regions of the world in development. Regional cooperation could promote sustainable development, for example, in areas such as the utilization of strategic resources (water and energy) and environmental management. One participant noted that although the European Union was a special case, there had also been useful examples of regional cooperation in Latin America and Asia. Region-to-region cooperation could reinforce the global development process, and complement the multilateral efforts of the United Nations.

One participant noted that the development debate in the United Nations, and especially on an Agenda for Development, required a political dynamic and therefore a higher level of representation if a general framework and concrete measures were to emerge from it. This view received wide concurrence from subsequent speakers.

In both the subgroup meetings and the plenary session, there was wide agreement on the desirability of better synergy and coordination between the Bretton Woods institutions and the United Nations. It was suggested that a reformed Economic and Social Council might take on this task.

ANNEX II

Statements made at the Tokyo Conference on Development Strategy

Keynote Address by Mr. Kazuo Ogura
Deputy Minister for Foreign Affairs of Japan

(Introduction)

It is my great pleasure to make the opening address at this Tokyo Conference on Development Strategy. I believe that a conference on development issues is most timely, inasmuch as the discussions on the reform of the United Nations are now at an important stage and development strategy is being intensively discussed in several international forums, including the United Nations. The close inter-relationship between these two issues is, I understand, widely recognized. A new development strategy and reform of the United Nations are both essential to effectively promote sustainable development toward the twenty-first century, and I hope that we will be able to give some valuable imputs into the discussion of these subjects through the Conference held today and tomorrow.

(A New Development Strategy)

Since 1960, the General Assembly of the United Nations has proclaimed four consecutive Development Decades. It has adopted a number of declarations, programmes of action, and development strategies designed to strengthen international cooperation for development. As we look back on our experiences of the past four decades, however, we note that in the context of the confrontation between East and West, development issues tended to be politicized and as a result were not addressed, as they should properly have been addressed, from the perspective of development. The end of the Cold War marked a fundamental change in international politics, and with it, the relations between North and South entered a new stage. In consequence, I believe, an environment is emerging in which the problems of development can be squarely addressed based on a new global partnership. We are being given a real opportunity to build such a partnership, which will enable developed and developing countries to work together to meet the challenges of development.

An important feature of the evolution of the world today is increasing interdependence--interdependence not only in economic terms, but also in terms of global issues such as poverty, environment, population, food security, and the advancement of women, all of which require efforts not only at the national but also at the international level.

It is therefore high time that every country and region in the world, developing and developed alike, work to build a new partnership to tackle the challenges humankind faces as it approaches the twenty-first century. It is in this context that the roles of the United Nations and other international organizations are becoming increasingly important, and that they are being expected to do more.

At the same time, however, many developed countries are experiencing great financial difficulties, which are imposing severe limits on their capacity to make contributions to international organizations and are exerting downward pressure on the development assistance they can provide. In addition, the role of government in promoting development is being redefined in the face of the global trend toward liberalization and deregulation.

Under these circumstances, I wish to make three points:

First, eradication of poverty is a challenge to which we must respond, and doing so will require intensive efforts on the part of the whole international community. In 1993 the General Assembly of the United Nations proclaimed that the year 1996 would be the International Year for the Eradication of Poverty. This is a timely initiative on the part of the United Nations designed to focus world attention on this urgent issue.

Second, the key to our success is a new global partnership. It is increasingly important that all nations work together to build and implement a new development strategy designed to meet the challenges the world can be expected to face in the twenty-first century.

Third, in the process of working out and implementing a new development strategy, it is crucially important to reinvigorate the roles of international organizations, and in particular that of the United Nations, which should serve as the catalysts for the global partnership that is essential to the new strategy.

I would like now to offer some thoughts on the three main pillars of a development strategy based on such a new global partnership. They are also the three themes to be addressed in the sub-group sessions this

afternoon. I am referring to the objectives of development, the role of the United Nations and other international organizations in sustainable development, and methods of promoting development.

(Objectives of Development)

In order to promote joint efforts based on new global partnership, it is important that the nations of the world, both industrialized and developing, share a clear vision asto the state of the world should be in the early twenty-first century. We must establish a clear and positive vision in order to help people in developing countries gain a strong sense of the goals they should strive to achieve. A clear vision is also necessary for people of donor countries. It will help convince taxpayers in donor countries of the need for development cooperation. It is important to have a vision of the future because, under the global partnership between developed and developing countries, all parties should work together and all of us need encouragement to continue and strengthen our efforts.

In order to arrive at a vision, a set of well-defined development objectives should be formulated. And setting concrete milestones would contribute to that end. Objectives defined with concrete milestones should cover both economic aspects and non-economic aspects of development, such as social development.

Such a comprehensive set of objectives, which together would constitute a realistic and positive vision of the world, would be extremely useful, as they would promote joint efforts by the entire world community: developing countries, developed countries, international organizations, and NGOs.

(Role of the United Nations and Other International Organizations in Sustainable Development)

In an increasingly interdependent world, international organizations, especially the United Nations, have a crucial role to play in promoting sustainable development. They must serve as focal points in the coordination of international efforts and also provide effective assistance for developing countries. It is therefore essential that Member States demonstrate that they are committed politically to supporting and fully utilizing international organizations, not only by eloquent speeches but also by concrete actions. The fiftieth anniversary of the United Nations offered an unprecedented opportunity for leaders of its Member States to declare their support for that world body. At the sametime, however, the UN is now facing financial difficulties and calls for reforms in a range of areas echo around the world. Under these circumstances, it is essential for us to secure progress in the work of improving the development activities of international organizations. Coordination in and relevant organizations should also be improved both at the general policy level and at the field level.

With regard to coordination at the general policy level, the Economic and Social Council should be enabled to carry out its mandate under the UN Charter "[to] coordinate the activities of the specialized agencies through consultation...and recommendations...." (Article 63 of the Charter). For that purpose, we should explore ways of enhancing the effectiveness of ECOSOC. For coordination at the field level, the use of Country Strategy Notes should be encouraged, the system of resident coordinators should be

improved, and the idea of common premises pursued. Coordination should also be strengthened between the United Nations and the Bretton Woods institutions. Although they might not be able to work under a single conductor, they should share a score in promting sustainable development with a harmony strategy.

Beyond these suggestions as to efforts to improve coordination, I would like to offer one idea for addressing the financial constraints under which the UN labors and reinvigorating the role it plays in development. Although many arguments may be advanced for promoting rationalization in light of these constraints, reform should not be a euphemism for budget-cutting. The purpose of reform is to bring about effective utilization of available resources and greater efficiency on the part of the relevant institutions in promoting sustainable development. I would therefore like to propose that a part of savings achieved through rationalization of UN development institutions be reinvested in development activities, for example, those aimed at the eradication of poverty. Such linkage between savings and reinvestment would contribute to reinvigorating the role of the UN in sustainable development by promoting a continuing adjustment to current realities and emerging priorities.

(Methods of Promoting Development)

In promoting development, policy measures in different areas should be combined in a coherent manner. The main pillar of such a comprehensive approach is mobilization of resources--not only Official Development Assistance, but also private sources of funding, which are becoming increasingly important for development in today's world. Out of the US $169 billion that flowed into developing countries in 1994, $112 billion, or about two thirds, were from private sources. Under these circumstances,

ODA should be used first in sectors that are not attractive to private investors. At the same time, ODA could play an important role of catalyst to mobilize domestic resources in developing countries and to induce foreign investment.

In addition to efforts to secure sufficient resources, it is important to take measures in other policy areas, such as trade or technology transfer. The globalization of the world economy also makes it increasingly important to promote the development of human resources, capacity- and institution-building in developing countries. All members of the global partnership, including developing countries, developed countries, and international organizations, have roles to play in implementing this overall approach.

Development efforts should address the needs of countries and regions in all their diversity. While it is necessary to improve economic conditions, it is also necessary to protect the environment and improve social conditions. The needs to be addressed vary from country to country, from region to region, and may include population growth, health, the protection of children, emergency relief, and post-conflict stabilization leading up to reconstruction. All these factors imply that policy measures should be tailored and adapted according to different needs and conditions.

Before leaving the subject of methods of promoting development, I would like to mention one form of cooperation as a particularly good example of global partnership. It is South-South cooperation. Assistance between developing countries, for example, the transfer of know-how gained in the course of development, can be very effective. Such a type of cooperation should be promoted more actively and given expanded international support. It was to that end that the UN General Assembly last year invited

the UNDP to establish a voluntary trust fund for the promotion of South-South cooperation. It is our hope that it will do so.

(Conclusion)

My intention in making this opening address has been to raise issues for discussion at this conference, rather than offer a definitive statement on how they should be resolved. I hope that you will give them intensive consideration from a variety of perspectives.

In an increasingly interdependent world, all of us, all the peoples of this planet, are in the same boat. By means of our discussion here, we hope to make progress toward identifying our destination, the ways and means we shall employ to reach it, and a method of ensuring that we act in harmony. On the other hand, we must take care: discussion, if it is not constructive, can also cause our boat to sink. We must bear clearly in mind that what we are working toward is a clear vision of our future and a new global partnership to carry it out.

I hope that the debate here will be constructive and that the Tokyo Conference will serve to promote the partnership we seek to establish.

Address by James Michel
Chair, Development Assistance Committee
Organisation for Economic Co-operation and Development

The famous English author, Charles Dickens, once began a book about events near the end of the 18th century with a description of the period as being "the best of times" and also "the worst of times". We who are witnessing the final years of the 20th century might well believe that we have a special appreciation and understanding of the historic contradiction which Dickens described so simply and yet so eloquently.

Forces of globalisation are encouraging a convergence of economic policies upon all nations who would compete in an increasingly interdependent global market place. Instantaneous flows of information, technology and capital have accelerated the pace of change. Along with an opening of economic systems to greater competition and greater efficiency, we are seeing an opening up of political systems, with increased opportunities for citizens to have a voice and stronger incentives for more responsive and more accountable government.

At the same time as this greater convergence is occurring, there is a trend toward greater diversity among nations. Old labels of "North" and "South", like those of "East" and "West", have less meaning today than they did just a few years ago. And if one of the forces that is shaping the contemporary environment for development is globalisation, the other is a focus on people, with all their differences, as the principal subjects of the development process.

Remarkable progress is being achieved by many countries and many people. At the same time, too many countries and too many people are not participating in this progress. For them, the quality of life is deteriorating. The combination of unsustainable consumption, intolerable poverty, rapid population growth and environmental deterioration casts a shadow over the future. The future looks especially bleak in those places where there has been a generalised breakdown in civil order and a descent into the human tragedies we have learned to call "complex emergencies".

For some it is the best of times; for others, like the children of Rwanda, Liberia, Somalia, Bosnia and other war-torn societies whose faces look out at us from the pages of the 1996 UNICEF report on the state of the world's children, it is unquestionably the worst of times.

This historic contradiction, like the one 200 years earlier of which Mr. Dickens wrote, is a warning, an indication of unstable and unsustainable conditions. It is crucial that we recognise that warning, and that we take the necessary actions to achieve stability and sustainability.

We face unprecedented opportunities for human achievement in the coming new millenium. We have many advantages that did not exist at the time of previous

transitions in history. In particular, we have a broad awareness that as we appproach the end of the 20th century security has come to have less to do with the strength of our armies and more to do with the needs and concerns of human beings and the quality of their environment. With that awareness, we can understand that the poverty and suffering of any of us diminishes the security of the rest of us. That understanding should provide the basis for a broad international consensus that development is important to the security and well being of everyone.

We also have the advantage that more than 40 years of development co-operation have taught us many valuable lessons about how the international community can best support development. There is broad international support for a model of locally-owned, people-centred and participatory development, based upon principles of self-reliance, integrated strategies and accountability for results. This model envisions development co-operation as a partnership, with mutuality of benefits and responsibilities and a principal focus on strengthening capacities for self-help through effective assistance, coherent policies and respectful dialogue.

But we all know that actual practice often departs markedly from that widely accepted model. People in the industrialised countries tend to favour support for sustainable development; but they also tend to give priority to domestic concerns. Donors tend to favour local ownership and responsibility; but their needs to assure accountability and to demonstrate results often cause them to insist on control over their investments, even at the expense of sustainability. Developing countries, for their part, sometimes hesitate to adopt and to implement reforms that will help them to escape from aid dependency, but that will pose short-term political and social costs.

Public confidence in development co-operation efforts is in decline in many countries; donor country governments are under intense pressure to find ways to reduce public expenditures, and developing country governments are being pressed to demonstrate the benefits of reforms. Multilateral and bilateral institutions are denied resources and at the same time expected to achieve more. The risk is real that aid fatigue and adjustment fatigue might combine to frustrate the actions we know are necessary and that can improve fundamentally the prospects for a more secure and prosperous future.

We need to devise strategies that can help make the model a reality, one that can demonstrate convincing progress and command broad public and political support. That means that we must deepen the international consensus from the general to the specific and work together in a spirit of genuine partnership.

These considerations make this a most timely conference. Before proceeding further I want to congratulate the Ministry of Foreign Affairs of Japan for taking the initiative to organise this event. If we are convinced that development efforts must reflect local commitment, initiative and capacity in order to succeed, then it is imperative that development co-operation strategies be shaped through dialogue in which developing country partners are full participants. The Ministry of Foreign Affairs has provided a valuable service to all of us by making available this opportunity for constructive dialogue. I am grateful to have been invited, and look forward to learning from the many distinguished participants assembled here.

I also want to express appreciation to all who are participating in this conference. For me, fostering a consensus in favour of effective development co-operation policies is a full-time job. Everyone else here has many other responsibilities. It is encouraging that so many of you have found this discussion of development strategies to be of sufficient importance and urgency to warrant your participation. Together, I am sure we can move far beyond the question of whether we are living in the best or the worst of times. We can advance the prospects for making the present into a solid base on which to build a better future.

In the Development Assistance Committee of the OECD we adopted in 1995 a policy statement entitled *Development Partnerships in the New Global Context*. The Development Assistance Committee (DAC), of course, is an organisation made up entirely of aid donors. The policy statement, therefore, reflects a donor perspective. But it is a perspective grounded in considerable experience, and the statement was fashioned against the background of an extraordinary, widely participatory dialogue in recent years -- from Rio to Beijing -- on a broad range of development issues. The DAC's *Development Partnerships* statement is a consensus of development ministers and heads of aid agencies. But it seeks to represent a broader international consensus by incorporating what those ministers and agency heads have learned from others about development co-operation.

Because I think it is such an important reference for our deliberations here in Tokyo, I have appended the *Development Partnerships* statement to the written text of my remarks. I will not take your time this morning with a detailed description of what it says. It is discussed at some length in the DAC's annual Development Co-operation Report for 1995. As you can see, it takes up only two sides of a single page and does not take long to read. I commend it to your attention. There are a few aspects of the statement, however, that bear directly upon our work here. I'd like to touch on these briefly.

First, the statement contains what I believe is an important clarification in the roles of partners in development co-operation. It states that achievement in sustainable development needs to be based on integrated strategies that incorporate a number of key economic, social, environmental and political elements. It makes clear that these strategies need to be locally owned, and then goes on to say that the role of the external partners is to help strengthen capacities in developing partner countries "to meet these demanding, integrated requirements for sustainable development, guided by the conditions and commitments in each country".

In a related point, while the statement expresses the vital necessity for concessional resources, it also acknowledges that developing countries are ultimately responsible for their own development and that their own resources are the most important source of investment in their economic and social progress.

Together, these two points amount to an unambiguous endorsement of local ownership and local responsibility for development. If donors believe what their policy statement declares, they need to shift the focus of their programmes away from trying to do things for developing countries and their people, and toward helping them increase

their capacity to do things for themselves. Paternalistic approaches must give way to true partnerships in which local actors progressively take the lead and external partners support their efforts to increase capacities and to assume greater responsibility.

A second feature of the statement is that its emphasis on local ownership of the development process and putting people at the centre of development policy reflects a strong endorsement of participatory development. It necessarily follows that national governments are no longer the only partners. Participatory development requires, by definition, participation -- by government at all levels, national, regional and municipal; by the institutions of civil society, including non-governmental organisations, civic groups, business and labour associations, and a free press; and by individuals.

A third important feature is the statement's acknowledgement of the critical importance that development co-operation efforts take place within a broader context of policies that favour development. This is reflected in its call for integrated strategies by the developing countries, and also in a call for consistent, open economic policies by the industrialised countries that do not undercut development objectives.

At the end of the statement, the ministers and agency heads reaffirmed their commitment to work together in the Development Assistance Committee "to help prepare strategies looking to the next century". Toward that end, they initiated an exercise to reflect on the record of development co-operation and on aspirations for the future. They set a limited scope for their collective look into the next century -- only until 2010. And they set a limited time for their deliberations in what we have come to call by its French name, the *exercice de réflexion*. They undertook to collaborate in the preparation of a report to be taken up at their next meeting in the DAC, scheduled for May 1996.

One of the first issues considered by the senior officials participating in this DAC exercise was the question of how to express the objectives of development co-operation in a way that would foster effective common efforts and make clear to the people and leaders of the industrialised and the developing countries the importance of the stakes involved. They concluded that it would be very helpful to select a few specific goals from among the many that have been agreed to by the international community. This approach would make the vision more concrete and also more understandable. In addition, it would set standards against which the performance of the international community could be measured.

Even as work proceeds on the preparation of a report for the DAC High Level Meeting in May, the Development Committee of the IMF and the World Bank is preparing to take up at its meeting in April the report of the Task Force on Multilateral Development Banks. At the same time, the Executive Directors of the Bank and the Fund are considering a jointly prepared proposal for action to resolve the debt problems of the heavily indebted poor countries. The Government of France, which will host the summit meeting of the G-7 in Lyon in June, has publicly expressed its interest in addressing development issues in that forum. And, of course, the General Assembly of the United Nations will take up in September the Secretary General's initiative of an Agenda for Development.

In this room there are assembled representatives of institutions that are involved in all of these current efforts to improve the prospects for development, increase the effectiveness of development co-operation and deepen public and political support. The confluence of all these international efforts and events provides us with a unique opportunity. I think the same kind of reasoning that led the senior officials of bilateral agencies to build their work in the DAC around the idea of specific development targets applies as well to the other ongoing international efforts. We can have a positive influence on all these initiatives by focusing in our discussions at this conference on the identification of targets of achievement, and on how they can best be pursued in our international co-operation efforts and in the accompanying public and political debates about development.

This is an enterprise that carries with it significant risks. If the international community is able to express its aspirations in terms of ambitious but achievable targets, and if it succeeds in building public and political support for those targets, it will be creating expectations. For the industrialised countries, the principal immediate risk is that failure to pursue those targets seriously will undermine the credibility of development co-operation, placing aid budgets in even greater jeopardy. For the developing countries, failure to pursue the targets seriously will have more profound consequences. For them, the targets represent a vision of hope for a better life -- an enhanced capacity for their people to participate in the economic, political and cultural life of their societies, and an enhanced capacity for their societies to participate effectively in the global system. An undermining of that hope would pose a threat to the preservation of the confidence and social cohesion that are the hallmarks of all successful examples of development.

Nevertheless, I don't think we really have any choice. Some fundamental decisions will be made this year about development and development co-operation, and about their place on the international agenda. Those decisions will set directions which will make it either easier or more difficult to preserve the sense of shared values and interests that are necessary to collaborative management of global issues of common concern.

I won't claim that the future of development co-operation, in itself, will have a decisive effect on whether we degenerate into a world of conflict and chaos. However, I do believe that there can exist in the next century a co-operating world in which future generations will work together to eradicate the worst of poverty, disease and conflict, to preserve the environment, and to promote improved conditions for participation and human fulfillment. And I am confident that development co-operation will have some influence in determining what kind of world will exist. The stakes in a stable, sustainable future for this planet and all who inhabit it are too high for us to forego that influence.

So let us try over the next two days to advance as far as we possibly can a shared understanding of what development goals are most appropriate, how they should be set, and the ways and means to achieve them. And let us also advance our understanding of the role of the United Nations system and its various funds, entities and programmes and how they can best contribute to sustainable development. When we adjourn tomorow, let us do so with a sense of satisfaction that we have helped to guide the international dialogue on development strategies in directions that will command the broadest understanding, support and prospects for success.

APPENDIX

Development Partnerships in the New Global Context

Members of the Development Assistance Committee (DAC) of the OECD met on 3-4 May 1995 at the level of Development Co-operation Ministers and Heads of Aid Agencies.

They agreed on shared orientations for their development co-operation efforts and preparing for key challenges of sustainable economic and social development into the 21st century.

Members also expressed deep concern that domestic preoccupations and budgetary pressures in some Member countries could seriously jeopardise the international development co-operation effort at a critical juncture.

For three decades, the highest rates of economic growth in the world have been achieved among developing countries, notably in Asia and Latin America. Many formerly poor countries have made rapid advances in standards of living, fuelled by expanded trade, capital and technology flows. Development co-operation has helped, and must continue to help, lay the foundations for their success.

Yet many countries and people have not yet shared in this progress, or have even lost ground. At the same time, numerous countries, including countries in Africa, are adopting far-reaching economic and political reforms. They seek to increase opportunities for their people, and to integrate successfully into a highly competitive, interdependent world.

Development and greater interdependence require high levels of domestic effort, high standards of accountability, and a strong civil society. Open, participatory economic and political systems are increasingly important factors. Meanwhile, the basic notion of security is being redefined, placing much more weight on the needs and concerns of human beings and the quality of their environment.

More widespread and sustainable progress now depends on building strong capacities to achieve good governance, reduce poverty, and protect the environment. Civil conflict, terrorism, population and migration pressures, epidemic disease, environmental degradation, and international crime and corruption hinder the efforts of developing countries and concern us all.

Within this new context, thriving developing country partners will contribute to greater prosperity and greater security in their own regions and globally. We therefore endorse the following strategic orientations, and commend them for active support in our own countries and throughout the international community.

1. Development co-operation is an investment

Support for development has contributed to extraordinary achievements in economic and social well-being. Well over two billion people have increased their incomes, life-expectancy, education, and their access to basic services. Development co-operation has also led to the emergence of new economic partners who play an increasingly dynamic role, generating new trade, investment, and jobs–as well as the need for adjustment–in our own countries. Developing country markets for OECD exports have expanded by 50 per cent since 1990.

We regard development co-operation as a key investment in the future.

2. Combating poverty at its roots is a central challenge

Support for development reflects our enduring concern for the human dignity and well-being of others. Despite the promising trends in many developing countries, more than one billion people still live in extreme poverty. Yet, building on lessons learned, there are good prospects for significantly reducing poverty in the coming years.

We will focus our support on strategies and programmes that will work to enable the poorest to expand their opportunities and improve their lives.

3. Strategies for success are now available

Experience has shown that achievements in sustainable development, and effective co-operation, need to integrate a number of key elements:

- A sound policy framework encouraging stable, growing economies with full scope for a vigorous private sector and an adequate fiscal base.
- Investment in social development, especially education, primary health care, and population activities.
- Enhanced participation of all people, and notably women, in economic and political life, and the reduction of social inequalities.
- Good governance and public management, democratic accountability, the protection of human rights and the rule of law.
- Sustainable environmental practices.
- Addressing root causes of potential conflict, limiting military expenditure, and targeting reconstruction and peace-building efforts toward longer-term reconciliation and development.

We will focus our co-operation on helping to strengthen capacities in our partner countries to meet these demanding, integrated requirements for sustainable development, guided by the conditions and commitments in each country.

4. Development assistance is vital to complement other resources

Developing countries themselves are ultimately responsible for their own development. Their own earnings, savings and tax revenues are the most important source of investment in their economic and social progress. For development to succeed, the people of the countries concerned must be the "owners" of their development policies and programmes.

Private investment flows are mainly attracted by the most dynamic countries and sectors of the developing world, and private donations are directed primarily to immediate humanitarian needs. Official development assistance remains vital for many key investments in developing countries, especially the poorer countries.

We remain committed to generating substantial resources for development co-operation to back the efforts of countries and people to help themselves.

5. Other policies need to be coherent with development goals

Expanded trade, investment and other linkages, and the growing role of the developing countries in the international economic system (notably in the World Trade Organisation) have raised the stakes for OECD countries. It is critical that other policies not undercut development objectives.

We will work with the other policy-makers concerned to ensure that our countries follow consistent, open economic policies in relations with our development partners.

6. Our co-operation must be effective and efficient

Both bilateral and multilateral development assistance must be managed for maximum efficiency and effectiveness. We are confident that past achievements and lessons learned in development co-operation show clearly how best to reinforce current efforts of developing countries.

The agreed principles and best practices for effective aid must be implemented with rigor. Critical evaluation must be an ongoing feature of development assistance efforts, to identify the best and most cost-effective approaches. Public accountability, based on indicators of achievement, is essential.

We will intensify our activities in aid co-ordination, the evaluation of aid effectiveness, peer reviews, and the implementation of best practices.

7. The Development Assistance Committee will advance these priorities

Co-operation for sustainable development is a fundamental concern of the OECD. Effective development co-operation helps to strengthen the multilateral system and promotes job-creating growth and social cohesion on an international scale. OECD members commit substantial resources toward this effort, including more than $50 billion annually in official development assistance, 90 per cent of the world's total.

We reaffirm our commitment to work together in the Development Assistance Committee to implement the directions outlined here for this decade, to integrate the contributions of development co-operation with the other policy priorities of Members, and to help prepare strategies looking to the next century.

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ADDRESS BY MR. K. Y. AMOAKO, EXECUTIVE SECRETARY OF THE ECONOMIC COMMISSION FOR AFRICA

Meeting the Development Challenges facing Africa in the 21st Century: The Role of ECA

It is an honour and a pleasure to be among you, at such a gathering, to consider the vital issue of UN reform and development strategies in Africa. It is appropriate that I, as an African, and head of the Economic Commission for Africa, should be called upon, given that our continent represents the greatest development challenge. But to be speaking to you today on such a critical topic, and in such a setting, is particularly valuable. I thank you most sincerely for the opportunity. I intend to make full use of it, to share with you the development challenges facing Africa, and to consider together the strategies we will adopt to realise that vision in the 21st Century.

And what an inspiring venue this is, in which to script a scenario, about overcoming enormous difficulties to achieve economic success. What a lesson is around us here, in what can be built out of human skill and energy, with strong partnerships, in a climate of peace and stability, and in the right policy

environment. Today Japan, this great economic power, has become the strongest of development partners. The world's largest donor of Official Development Assistance, supplier of well over one billion dollars a year in bilateral aid to sub-Saharan Africa. And with even more to offer Africa as a development partner in terms of expertise, experience and relevant strategies, as the original powerhouse of the East Asian economic miracle.

Now it is our continent that is gearing itself to embark on the long journey. I would like to sketch for you the road ahead, to review where Africa is today, and to look at the role of the United Nations, and of the Economic Commission for Africa.

Africa is the biggest challenge for the UN itself. As the Secretary-General, Dr Boutros-Ghali, has warned in launching the Agenda for Development: 'the failure to help improve the human condition of a whole continent would be a moral and political defeat for the UN. Africa remains the great test of an effective agenda for development.'

But as the Secretary General also said, about the launching of the great UN Special Initiative on Africa last week, 'the chances of Africa emerging from its crisis are better now than in many years.' Even in the midst of our critical problems, there are hopeful signs and indicators emerging that African recovery is ahead, if we

can gear ourselves to seize the moment. If we can follow a clear vision of absolute poverty eliminated within the next generation.

And it is a direct attack on poverty, with all the resources that we in Africa and our global partners can muster, that MUST be at the heart of our strategy for sustainable development.

What are the hopeful signs and signals that dispel some of the gloom and light our way? Our own research is confirming that no less than half the countries of Africa at the moment are enjoying real economic growth in excess of their population growth rate. More than one third of these countries last year recorded growth of 6 percent and above. And among these, economists are noting a sustained upward trend.

This is in a broader context in which democratic experiments, the opening of markets and the growth of civil society are all continuing trends.

Our African landscape is not one undifferentiated mass. It is a mosaic, a spectrum, within which, as we go towards the 21st century, there is a new Africa emerging. We see the fruits of positive growth beginning to appear in those countries which are applying economic and political reform with stamina and determination.

Poverty reduction, let me stress once more, is the ultimate and overarching objective of all development strategies. I would like to illustrate this in the simplest of ways, out of the African experience, looking at our socio-economic landscape as it is.

Our continent is enormously wealthy in terms of natural resources, so much so that we have no business to be poor — if we can develop and apply our great HUMAN resources in the right way, and with the right kind of assistance from our partners.

But the vicious circle of reality has to be broken: 2 out of 5 of Africa's people — and rising — live in poverty, in absolute poverty. They can only struggle, with hard work and ingenuity, to keep alive. In the rural areas, people scratch the exhausted land to grow food without enough water for crops They use up forests for their own and for city fuel. In urban settlements, people find a hundred informal ways to do business, so the family can survive, but often without access to schools, to clinics, even to drinkable water. The coping mechanisms of our rapidly growing population contribute to the pressure on the local environment.

A sustainable environment for Africa, occupying one quarter of the earth's landmass, is crucial in stabilising the planetary environment.

Certainly, we cannot meet the challenge posed by the population-food security-environment nexus, unless our economies are on a sound footing. We need policies for robust growth. BUT — we have to adopt a direct poverty reducing strategy, with employment opportunities, to sustain broad-based and labour intensive growth. We have to empower the poor to take part in this growth, if it is to spin the vicious circle into a virtuous cycle. That is, the women, the children, rural people, those in the informal sector, the struggling private enterprises.

There has to be a division of responsibility between the public and private sector. What are needed are new synergies based on being complementary to each other, rather than adversarial. What a crying need there is in Africa, for this understanding, from both sides. The state has to maintain a conducive environment to enable the private sector to emerge and grow into a significant employer, wealth creator and engine of the economy.

Japan, post world war Japan, has been one of the great venues, the great models for that enabling dynamic relationship.

I spell out these well-known factors in the great historical equation of modern East Asian development, only because they have so much relevance for us in Africa. What we will need, and will have to work for, is that conducive policy environment and

the political climate to encourage sustained structural transformation.

We need liberating market forces, to set prices freely, to create efficient markets. We need — as I have noted some of our countries are already doing — to restore and preserve macroeconomic stability.

Of course we cannot strengthen our economies without partners, and this is where we need to build the long-term socio-economic stability, through political and economic liberalisation, to encourage outside investment. As an essential foundation, we need to mobilise domestic resources through savings and internal investment.

Any mobilisation of financial resources comes up against one huge obstacle, that is Africa's external debt crisis, which remains unresolved. It is, in the graphic image conjured up by the UN Secretary-General, "a millstone around the neck of Africa." The challenge can never be far from our minds. It has been the spur to frequent resolutions and declarations from the OAU and other bodies, calling for sustained development assistance from Africa's external partners, pleading for a lasting solution to the debt burden.

An overarching dimension, adding urgency to our strategies, is the need to prepare Africa for the realities of globalisation. How

can we seize the opportunities offered by this process. How can we climb aboard and use its momentum, and not be totally sidelined and marginalised by it?

A key element of the strategy for becoming competitive in the world economy is to strengthen regional economic integration in Africa. Global trade liberalisation is proceeding at the same time as regional economic megamarkets are developing, sweeping away internal barriers in regional groupings. But in Africa, for all our decades of dreams and efforts, we still offer minimarkets, often landlocked, with no effective intra-African trade, few if any economies of scale.

Opening up African economic space, and letting trade between countries expand without restriction, may be the single most neglected potential engine for the continent's economic growth, and a prerequisite for its integration into the highly competitive world economy of the future; letting factors of production flow freely across borders.

A new approach is needed. The traditional approach to integration, which relied on interactions among governments, and which mirrored state-led development strategies , clearly has not been effective. Our new approach needs to be based on promoting the growth of African enterprises, opening national markets to create an African market. We need to harmonise policies at the

regional level, especially in the promotion of foreign direct investment.

It is in meeting these challenges in Africa that the United Nations is going to be judged. The UN system as a whole is undergoing reforms, to strengthen its development role, to do better in and for Africa. So what are the principles that should guide its work?

There are a range of challenges on its agenda for reform. First of all, the UN agencies as a whole:

* have to adopt a much more tenacious approach to promoting development than in the past;
* we need to sharpen our focus on objectives and priorities
* in programme delivery, we must be more cost effective in our use of scarce human and financial resources
* monitoring needs to be strengthened and evaluation sharpened.

There are several principles which will have to be incorporated into its regional programmes as well as its field operations in Africa, to be effective in meeting the challenges.

One which guides UN assistance is the country focus of UN activities. This principle is dear to member states. It calls for a

sharper focus on individual countries by all agencies of the UN family, including Bretton Woods institutions working together as a team.

Nor can the UN be fully effective if it works only with governments. In Africa, UN agencies have to embark on stronger cooperation with the Organisation of African Unity, the African Development Bank, and the regional economic organisations.

UN agencies need also to continue developing channels for joint operations with NGOs and other civic organisations in view of their strong involvement with the grass roots, where development challenges cease to be dry statistics and assume real personality.

It is on these principles that the UN Special Initiative on Africa has been based. It is the greatest set of UN projects in Africa ever drawn up. At the heart of this ten-year programme are two major commitments: to promote throughout the continent universal basic education, and primary health care. They account for the bulk of the 25 billion dollars of resources expected to be mobilised and dispersed as a result of the initiative.

We at ECA will be very much playing our part in this UN system We will lead or co-lead with other agencies in a range of projects, from South South cooperation for trade promotion, to

strengthening civil society, promoting the informal sector, and in harnessing information technology for development -- a field where ECA already leads the electronic networking campaign in Africa.

We at ECA are feeling more motivated and clear in our minds than ever about how we need to address the challenges of the 21st century. We are in the midst of renewing the organisation to serve Africa better.

Since joining ECA last year it has been my task to take the lead in strenuously embarking on a major reform and reconstruction process. It is part of the broader stream of change, to confront the special problems and challenges of the time we are in, within the entire UN system, and in Africa as a whole.

We have consulted widely and intensively about our new directions — on what ECA's role will be. We have developed a road map, a clear sense of where we are going, in a revised and enriched document on our Strategic Directions. We are having important meetings with our Partners in development around the world, and we are geared for this most important phase of our journey. Some major reorganisation in ECA takes effect next month. Our programme guidelines are set for submission to our Council of Ministers in May.

Many of you here will want to join and support us on our journey. On what pathways will you find ECA in future? What will be different, more effective, about the way we work?

ECA already has proud achievements in its record since 1958. It played a central role in the creation of several African regional economic institutions, notably the African Development Bank. It was an architect of such initiatives as the Lagos Plan of Action. Now, the renewed ECA is being revitalised as a policy integrator, a networker and disseminator of development ideas and best practices among its African member states. We are reorganising to strengthen our current staff through training and exchanges. We are preparing to bring in fresh blood. We are embarking on new communications strategies and methods.

Above all, we are sharpening our programme focus, using our comparative advantages to be cost effective and relevant, responding precisely to those challenges I have been outlining, such as the nexus, informatics, regional integration, the strengthened synergy between public and private sector in development management.

As I said earlier, we are already taking a lead in networking development information through new technology, and in urgently promoting Africa's membership of the information society, to avoid even greater marginalisation. Gender will be mainstreamed

in all our work. This is a particular concern of mine, because empowering women is at the centre of social justice, and of any strategy for Africa's economic takeoff.

Our mandate already puts ECA at stage centre, in the scenario of African development. To network effectively, that is where we have to be. Most of the challenges African countries face have a regional scope and can best be tackled through regional cooperation. This too, is at the heart of our mandate.

I have reviewed development strategies and structures, but in the end it is the human spirit which inspires us to take on the challenges. By that I mean the way so many of our people still stand tall, after two decades of crisis in Africa. Where formal economic activities and support structures collapse so many battle to survive, through their own ingenuity, in the informal economy, creative and resourceful, their spirit of enterprise alive and well.

What echoes that sets up, of stories from the early post-war years about the peoples of East Asia. Can we in Africa hope to make a few small miracles along our own way? If we are to break through, there are three things we need: a conducive policy environment in the continent, more progress in ending local conflicts, and the understanding and support of partners around the world.

I would like once more to express our appreciation, and to pay tribute to our hosts, in putting Africa first in tackling development strategies. With such partnerships, and if we keep our heads clear and our hearts strong, absolute poverty can be eliminated in the span of one generation.

ANNEX III

LIST OF PARTICIPANTS

Afghanistan	H.E. Dr. Ravan A.G. FARHADI (I) Permanent Representative to the United Nations
Albania	H.E. Mr. Pellumb KULLA (III) Permanent Representative to the United Nations
Antigua and Barbuda	H.E. Dr. Patrick A. LEWIS (II) Permanent Representative to the United Nations
Argentina	H.E. Mr. Carlos E. ZABALLA (II) Under Secretary, International Cooperation, MOFA
Australia	Ms. Miranda J. RAWLINSON (II) Assistant Director General, Australian Agency for International Development
Azerbaijan	H.E. Mr. Eldar G. KOULIEV (II) Permanent Representative to the United Nations
Bangladesh	H.E. Mr. Reaz RAHMAN (III) Permanent Representative to the United Nations
Belize	H.E. Mr. Edward Arthur LAING (II) Permanent Representative to the United Nations
Bhutan	H.E. Mr. Ugyen TSHERING (II) Permanent Representative to the United Nations
Brazil	H.E. Mr. Henrique R. VALLE (III) Deputy Permanent Representative to the United Nations
Burkina Faso	H.E. Mr. Gaetan R. OUEDRAOGO (I) Permanent Representative to the United Nations
Canada	Mr. John M. ROBINSON (I) Vice-President Policy Branch, Canadian International Development Agency
China	Mr. Tiankai CUI (III) Counsellor, Department of International Organizations and Conferences, Ministry of Foreign Affairs
Colombia	Mr. Leonardo CARVAJAL (III) Private Secretary of the Minister for Foreign Affairs
Costa Rica	H.E. Mr. Jose J. CHAVERRI (I) Coordinator in the Ministry of Foreign Affairs
Cote d'Ivoire	Mr. Konan KRAMO (III) Technical Adviser to the Minister, Ministry of Foreign Affairs
Cyprus	H.E. Mr. Nicos AGATHOCLEOUS (II) Permanent Representative to the United Nations
Denmark	H.E. Mr. Birger RIIS-JORGENSEN (III) Under Secretary for Bilateral Affairs, Ministry of Foreign Affairs
Egypt	H.E. Dr. Ahmed M.H. GOMAA (II) Deputy Assistant Minister for International Political Affairs, MOFA

Ethiopia	H.E. Dr. Mohammed DURI (III) Permanent Representative to the United Nations
France	Mr. Jean-Michel SEVERINO (II) Director of Development, Ministry of Cooperation
Gambia	H.E. Mr. Momodou Kebba JALLOW (I) Permanent Representative to the United Nations
Germany	Dr. Klemens VAN DE SAND (III) Deputy Director-General, Federal Ministry of Economic Cooperation and Development
Guatemala	H.E. Dr. Julio A. MARTINI HERRERA (II) Permanent Representative to the United Nations
Guyana	H.E. Mr. S.R. INSANALLY (III) Permanent Representative to the United Nations
Haiti	H.E. Mr. Pierre LELONG (I) Permanent Representative to the United Nations
Hungary	H.E. Dr. Istvan NATHON (III) Permanent Representative to the United Nations
India	Dr. Isher J. AHLUWALIA (III) Research Professor, Centre for Policy Research
Indonesia	Mr. WARDANA (II) Deputy Director for Multilateral Economic Cooperation, Department of Foreign Affairs
Italy	Mr. Paolo BRUNI (II) Director General for Cooperation, Ministry of Foreign Affairs
Japan	H.E. Mr. Hisashi OWADA (III) Permanent Representative to the United Nations (Conference Chairman)
	H.E. Mr. Kazuo OGURA Deputy Minister for Foreign Affairs, Ministry of Foreign Affairs (Keynote Speaker)
	Mr. Atsushi HATAKENAKA (I) Director-General of the Economic Cooperation Bureau, Ministry of Foreign Affairs (Chair of the Sub-group I)
	Mr. Kazuo ASAKAI (II) Director-General of the Multilateral Cooperation Department, Ministry of Foreign Affairs (Chair of the Sub-group II)
	Mr. Norio HATTORI (I) Deputy Director-General of the Economic Cooperation Bureau, Ministry of Foreign Affairs
	Mr. Wataru NISHIGAHIRO (II) Director of the United Nations Administration Division, Multilateral Cooperation Department, Ministry of Foreign Affairs
	Mr. Hirohito ISHIDA (I) Director of the Multilateral Cooperation Division, Economic Cooperation Bureau, Ministry of Foreign Affairs
Lesotho	H.E. Mr. Percy Metsing MANGOAELA (III) Permanent Representative to the United Nations

Liberia	H.E. Mr. William BULL (I) Permanent Representative to the United Nations
Malawi	H.E. Prof. James David RUBADIRI (III) Permanent Representative to the United Nations
Mali	H.E. Mr. Moctar OUANE (II) Permanent Representative to the United Nations
Mauritius	Mr. Dhurmahdass BAICHOO (III) Director-General, Multilateral Directorate (Economics), International and Regional Cooperation, Ministry of Foreign Affairs
Morocco	H.E. Mr. Benhima EL GHALI (II) General Director for Multilateral Relations and Global Cooperation, Ministry of Foreign Affairs and Cooperation
Namibia	Mr. Andrew P. NDISHISHI (III) Deputy Permanent Secretary, National Planning Commission
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Nigeria	H.E. Prof. Ibrahim A. GAMBARI (III) Permanent Representative to the United Nations
Pakistan	Mr. Sibte Y. NAQVI (III) Director General for Economic Coordination Ministry of Foreign Affairs
Papua New Guinea	H.E. Ms. Lucy B. BOGARI (I) Deputy Secretary, Department of Foreign Affairs and Trade
Philippines	H.E. Mr. Felipe MABILANGAN (I) Permanent Representative to the United Nations
Republic of Korea	Mr. Chul Ki JU (III) Director-General of International Economic Affairs, Bureau of the Ministry of Foreign Affairs
Romania	H.E. Mr. Ion GORITA (III) Permanent Representative to the United Nations
Russian Federation	Mr. Iouri N. ISSAKOV (II) Deputy Director, Department of International Organizations, Ministry of Foreign Affairs
Seychelles	H.E. Mr. Marc Michael MARENGO (II) Permanent Representative to the United Nations
Spain	Mr. Juan Antonio MARCH PUJOL (I) Director General, Iberoamerican Cooperation Institute
Sudan	H.E. Mr. Hamid Ali ELTINAY (I) Deputy Permanent Representative to the United Nations
Sweden	Mr. Mats KARLSSON (II) State Secretary for International Development Cooperation, Ministry of Foreign Affairs
Thailand	H.E. Dr. Thakur PHANIT (III) Deputy Permanent Representative to the United Nations
Turkmenistan	H.E. Mrs. Aksoltan T. ATAEVA (II) Permanent Representative to the United Nations

Ukraine	Mr. Konstyantyn GRYSHCHENKO (II) Deputy Foreign Minister of Ukraine
United Kingdom	Mr. Richard G. MANNING (I) Under-Secretary and Principal Finance Officer, Overseas Development Administration
United States of America	Mr. Colin BRADFORD (I) Assistant to the Administrator, Bureau for Policy and Program Coordination, USAID
Uzbekistan	H.E. Mr. Fatikh G. TESHABAEV (I) Permanent Representative to the United Nations
Viet Nam	Mr. Nguyen Quang THAI (I) Vice President, Development Strategy Institute, Ministry of Planning and Investment

INTERNATIONAL ORGANIZATIONS

European Commission	Mr. Pierre R. DEFRAIGNE (I) Director of North South Relations, European Commission (Lead Discussant)
ECA	H.E. Mr. K.Y. AMOAKO (I) Executive Secretary of the Economic Commission of Africa (Keynote Speaker)
OECD	Mr. James. H. MICHEL (I) Chairman of Development Assistance Committee, OECD (Keynote Speaker)
UNCTAD	Dr. Yilmaz AKYUZ (III) Chief, Macroeconomic Unit, UNCTAD
UNDP	Dr. Richard JOLLY (II) Special Advisor to the Administration of UNDP on Human Development (Lead Discussant)
UNHCR	Mr. Kenichiro SASAE (II) Special Advisor to the High Commissioner, UNHCR
United Nations University	Mr.Touru YANAHARA (II) Professor, Economic Department, Hosei University

Prof. Jun NISHIKAWA (III)
Professor, Waseda University
(Lead Discussant)

Dr. Mahabub ul HAQ (III)
President, Human Development Centre, Islamabad
Former UNDP Special Advisor
(Chair of the Sub-group III)